

Message Text

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ACTION NEA-10

INFO OCT-01 AF-08 ARA-06 EUR-12 EA-07 ISO-00 CIAE-00
DODE-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01
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FM AMEMBASSY DAMASCUS

TO SECSTATE WASHDC 1936

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY AMMAN

USINT BAGHDAD

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMCONSUL JERUSALEM

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MOSCOW

AMEMBASSY MUSCAT

AMEMBASSY RABAT

AMEMBASSY SANA

AMEMBASSY TEHRAN

AMEMBASSY TEL AVIV

AMEMBASSY TRIPOLI

C O N F I D E N T I A L SECTION 1 OF 2 DAMASCUS 1299

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TAGS: PFOR ENRG XF

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SUBJECT: SYRIA SHARPLY ATTACKS ARAB AID DONORS OVER AID LEVELS

1. SUMMARY: SYRIA LAUNCHED SHARP VERBAL ASSAULTS ON ARAB OIL-
PRODUCERS FOR ALLEGEDLY PROFITING FROM RESULTS OCTOBER WAR
AT EXPENSE OF EGYPT, SYRIA, AND JORDAN. CONFRONTATION STATES
PORTRAYED SUFFERING FROM EFFECTS OF PETROLEUM PRICE INCREASES
WHILE NOT RECEIVING SUFFICIENT AID TO OFFSET THEIR DEFENSE

EXPENDITURES AND BURDEN OF HIGHER PRICES FOR IMPORTS FUELED BY OPEC PRICE HIKES. SYRIANS WARNED THAT FAILURE TO INCREASE AID WOULD DIRECTLY AFFECT THE PRODUCERS THEMSELVES AND THREATENED TO GO PUBLIC WITH THEIR COMPLAINTS. APPARENTLY, HIGH COSTS OF SUPPORTING ARMY IN LEBANON AND OVER-ESTIMATION OF SARG'S ABILITY TO TRIM BUDGET HAVE SERIOUS IMPLICATIONS FOR SYRIA'S POLICY OF BOTH GUNS AND BUTTER. MOREOVER, SYRIANS CONCERNED FOR EGYPT'S STAYING POWER IN FACE OF BADLY TROUBLED ECONOMY. GIVEN SYRIA'S OWN INTERNAL PROBLEMS AND DEPENDENCE ON ARAB AID DONORS, GOOD DEAL OF BLUFF LIKELY CONTAINED IN SYRIAN THREATS BUT POSITION IS MORE COMFORTABLE ONE FOR THEM THAN THAT OF SUPPLICANT. END SUMMARY.

BEGIN UNCLASSIFIED

2. REPORT APPEARING IN FEB 20 AL-BAATH SIGNED START OF SYRIAN PRESSURE CAMPAIGN TO OBTAIN GREATER FINANCIAL AID FROM ARAB OIL-PRODUCERS. ARTICLE WRITTEN BY MAHMOUD KAMIL WAS CAPTIONED "WHAT HAVE OIL-ARABS ACCOMPLISHED FROM THE OCTOBER WAR AND HOW MUCH ARE CONFRONTATION STATES SACRIFICING?" KAMIL STATED OIL PRICES ROSE OVER 400 PERCENT SINCE OCTOBER WAR AND LINKED THIS INCREASE TO HIGH RATE OF INFLATION EXISTING IN DEVELOPING COUNTRIES. HE ASSERTED THAT "FACED WITH THIS PAINFUL STATE OF AFFAIRS, SILENCE IS NO LONGER POSSIBLE." AUTHOR THEN OUTLINED HOW PRICE RISES HAD AFFECTED SYRIA, BOTH DIRECTLY AND INDIRECTLY, USING MANY OF SAME ARGUMENTS EMPLOYED BY WESTERN AND THIRD WORLD CRITICS OF OIL CARTEL. HE CHARGED THAT CONFRONTATION STATES FACED WITH "THIS SUFFERING" AND IMPAIRMENT TO THEIR DEFENSE CAPABILITIES HAD NO CHOICE BUT TO AIR THEIR CASE AGAINST HIGH

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OIL PRICES AT INTER-ARAB AND INTERNATIONAL CONFERENCES INCLUDING ARAB-AFRICAN SUMMIT CONFERENCE.

2. SEVERAL EDITORIALS NEXT DAY IN AL-BAATH PRESSED ATTACK WITH EQUALLY STRIDENT TONES. AMID AL-KHULI, SENIOR AL-BAATH COLUMNIST, AVERRED THAT SINCE OCTOBER WAR, ARAB SOLIDARITY HAD BEEN EXPLOITED TO BENEFIT SOME ARAB STATES BOTH WITHIN ARAB WORLD AND INTERNATIONALLY, WHILE BENEFICIARIES REFRAINED FROM "PUTTING ANY MILITARY OR ECONOMIC EFFORT INTO THE BATTLE." AL-KHULI CENSURED ARAB OIL-PRODUCING STATES FOR "ACCUMULATING ILLEGITIMATE WEALTH AT EXPENSE OF "BLOOD OF OCTOBER WAR MARTYRS." ASSERTING THAT GEOGRAPHY HAD MADE EASTERN ARABS CONFRONTATION STATES AND GEOLOGY HAD MADE OTHERS OIL-PRODUCING STATES, HE WARNED THAT THESE BOUNDARIES BETWEEN CONFRONTATION AND SUPPORTING STATES WOULD DISAPPEAR IF THEY CONTINUED TO EXPLOIT ARAB SOLIDARITY TO SERVE THEIR MORE PAROCHIAL INTERESTS. HE REITERATED KAMIL'S THREAT THAT CONTINUATION OF SITUATION WOULD FORCE CONFRONTATION STATES TO MOUNT CAMPAIGN AMONG THE ARAB MASSES "SO THAT THEY WOULD CARRY OUT

THEIR FULL RESPONSIBILITIES IN THIS BATTLE FOR EXISTENCE THEY ARE WAGING." SECOND UNSIGNED EDITORIAL APPEARED IN SAME PAPER EXHORTING THE ARAB SUPPORTING STATES TO ASSUME THEIR RESPONSIBILITIES IN FACE OF ISRAELI "INTRANSIGENCE."

4. PRESS FEB 23 CARRIED SPEECHES DELIVERED BY BAATH PARTY, NATIONAL PROGRESSIVE FRONT, AND POPULAR ORGNIZATIONS COMMEMORATING ANNIVERSARY OF SYRO-EGYPTIAN UNION (1958) AND MOVEMENT OF FEB 23 (BAATH PARTY'S OUSTING OF AMIN AL-HAFEZ IN 1966). FAWZI KAYYALI, LEADER ASU, SPEAKING ON BEHALF OF NON-BAATH PARTIES OF THE NATIONAL PROGRESSIVE FRONT DELIVERED STINGING SPEECH AGAINST ARAB OIL-PRODUCERS. HE ARGUED THAT OIL WEALTH HAD DIVIDED ARABS MORE THAN "REGIONAL" BORDERS BY MAKING THEM RICH AND POOR STATES. HE CLAIMED BIG SEVEN INTERNATIONAL OIL COMPANIES CONSPIRED TO INSURE OIL WEALTH REMAINED INHANDS OF WEAK GOVERNMENTS "WHOM THEY CAN ROB AND DICTATE THEIR OWN TERMS TO." HE ACCUSED "COLONIALIST AND IMPERIALIST INTERESTS" OF
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WISHING TO KEEP ARABS DIVIDED AND CHARGED THAT KING FAISAL MURDERED BECAUSE HE DAREDEMPLOY OIL AS WEAPON. HE THEN ATTACKED GOVERNMENTS AND RULERS OF ARAB OIL STATES, CHARGING THEM WILL USING THIS WEALTH FOR THEMSELVES AND THEIR FAMILIES. HE STATED, "IN STATES WHERE NO PARTICULAR FAMILY RULES, THIS WEALTH IN MANY CASES BECOMES THE PERSONAL PROPERTY OF THE INDIVIDUAL RULER, GIVING WHATEVER HE PLEASES TO WHOMEVER HE PLEASES." WRITER THEN EXPRESSED HOPE THAT SUCH STATES WOULD CONCEDE SMALL PART OF THIS WEALTH TO PROTECT THEMSELVES FROM AMBITIOUS EXTERNAL FORCES AND TO PREVENT GREAT DISPARITIES OF WEALTH AMONG THE SAME PEOPLE.

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ACTION NEA-10

INFO OCT-01 AF-08 ARA-06 EUR-12 EA-07 ISO-00 CIAE-00
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PRS-01 SP-02 SS-15 USIA-06 FEA-01 AID-05 EB-08 OMB-01
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R 241627Z FEB 77

FM AMEMBASSY DAMASCUS
TO SECSTATE WASHDC 1937
INFO AMEMBASSY ABU DHABI
AMEMBASSY ALGIERS
AMEMBASSY AMMAN
USINT BAGHDAD
AMEMBASSY BEIRUT
AMEMBASSY CAIRO
AMEMBASSY CARACAS
AMEMBASSY DOHA
AMCONSUL JERUSALEM
AMEMBASSY JAKARTA
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5. ON FEB 23 EMBOFF DISCUSSED THIS PRESS CAMPAIGN WITH SENIOR AL-BAATH EDITOR "AMID AL-KHULI." HE MADE IT CLEAR THAT EDITORIALS SHOULD BE READ IMPLICITLY AS THREATS AGAINST CONSERVATIVE REGIMES IF THEY WERE NOT MORE FORTHCOMING WITH AID. HE USED STOCK BAATHI ARGUMENTS THAT BORDERS AMONG ARAB STATES WERE ARTIFICIAL AND ARBITRARY CREATIONS AND THAT OIL WEALTH SHOULD BE USED FOR BENEFIT OF ALL ARABS, ESPECIALLY STATES CONFRONTING ISRAEL. WHEN ASKED WHAT HE THOUGHT REACTIONS OF KUWAITIS AND SAUDIS WOULD BE, SINCE THEY OBVIOUSLY FELT THEY HAD BEEN VERY GENEROUS, HE STATED, "THAT IS THEIR CONCERN, NOT OURS." ACCORDING TO FRENCH AMBASSADOR, FONMIN KHADDAM MADE POINT DURING RECENT DE GUIRINGAUD VISIT THAT ARAB STATES HAD BADLY UNDER-ESTIMATED SYRIAN EXPENSES IN LEBANON WHICH WERE RUNNING AT LEVEL OF DOLS 80 MILLION PER MONTH.

6. COMMENT: FROM ALL INDICATIONS, SARG WAS UNABLE TO ACHIEVE BUDGET CUTS WE REPORTED FEW MONTHS AGO. MILITARY EXPENDI-

TURES INCREASED AND MORATORIUM ON NEW PROJECTS SAVED VERY LITTLE. APPEARS SYRIAN GOVERNMENT ACTUALLY SPENT APPROXIMATELY LS 12 BILLION (DOLS 3 BILLION) IN 1976 BY RUNNING DOWN FOREIGN EXCHANGE RESERVES BY DOLS 400 MILLION AND BORROWING HEAVILY FROM CENTRAL BANK (I.E. -- RUNNING THE PRINTING PRESSES). LATTER ACTION COMPOUNDED IMPORTED INFLATION CAUSED BY THE WAR: E.G. --CONGESTED HARBORS AND HIGHER OIL PRICES. SARG IS NOW SERIOUSLY CONSIDERING MASSIVE (65) PERCENT) CIVIL SERVICE WAGE HIKE, AND IS GOING TO NEED MORE MONEY.

7. SYRIANS KNOWN TO BE CONCERNED THAT SADAT'S WEAK DOMESTIC ECONOMIC SITUATION COULD LEAD HIM TO MAKE "UNACCEPTABLE" CONCESSIONS TO ISRAELIS OR EVEN BE TEMPTED BY A BILATERAL SOLUTION. MOREOVER, SYRIA'S ECONOMY SUFFERING FROM BURDEN OF CONTINUING INTERVENTION IN LEBANON. DESPITE APPARENT INITIAL SUCCESS OF RIYADH FINANCIAL SUMMIT SOME WEEKS AGO, IT NOW EVIDENT THAT SYRIAN DISSATISFACTION WITH AID LEVELS MOTIVATING NEW MEDIA CAMPAIGN GEARED TO REMIND SAUDI AND GULF STATES THAT MILITARY DEFEAT ALSO WILL AFFECT

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OIL-PRODUCERS ADVERSELY AND THAT SYRIA CAPABLE OF FOMENTING DOMESTIC STRIFE IN THESE COUNTRIES IF ITS MEEDS NOT ADEQUATELY MET. SYRIAN POSITION ALSO STEMS FROM DEEPLY HELD IDEAS ABOUT ARAB UNITY NOT ONLY THAT IT EXISTS BUT ALSO THAT IT SHOULD INVOLVE JOINT RESPONSIBILITY AND SACRIFICE AS WELL AS JOINT BENEFIT. GIVEN SARG'S PREOCCUPATION WITH ITS OWN INTERNAL PROBLEMS AND RELATIVE STATE OF DISREPAIR OF SYRIAN BAATH PARTY BRANCHES IN OTHER ARAB COUNTRIES, THERE IS GOODDEAL OF BLUFF IN SYRIAN VEILED THREATS. THIS POSITION, HOWEVER, IS A MORE NATURAL AND COMFORTABLE ONE FOR THEM THAT THE ROLE OF A POOR SUPPLICANT.

MURPHY

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Message Attributes

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